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BEFORE THE ARIZONA CORPORATION C

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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

FEB 19 2014

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
GRANITE MOUNTAIN WATER COMPANY,
INC. FOR APPROVAL OF A RATE INCREASE.

DOCKET NO. W-02467A-09-0333

IN THE MATTER OF THE APPLICATION OF
GRANITE MOUNTAIN WATER COMPANY,
INC. FOR APPROVAL OF FINANCINGS.

DOCKET NO. W-02467A-09-0334

IN THE MATTER OF THE APPLICATION OF
GRANITE MOUNTAIN WATER COMPANY,
INC. FOR AUTHORITY TO INCUR LONG-
TERM DEBT.

DOCKET NO. W-02467A-10-0483

STAFF NOTICE OF FILING

Pursuant to the Procedural Order dated February 14, 2014, the Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission"), files its response.

This case concerns requests made by Granite Mountain Water Company ("GMWC" or "Company") for modification of two different Commission decisions: Decision No. 72294 (May 4, 2011) and Decision No. 72377 (May 27, 2011). Decision No. 72294 extended compliance deadlines established in Decision No. 71869 (September 1, 2010). Decision No. 72377 authorized long-term debt in the amount of \$181,320 for specific water system improvements.

GMWC revised its plan and this revision required the approval from the Arizona Department of Water Resources ("ADWR") to convert an exempt domestic well ("Well No. 6"), to a non-exempt production well to be added to GMWC's system. GMWC's initial application for conversion of Well No. 6, requesting an authorized pumping capacity of 70 gallons per minute ("GPM") was denied by ADWR in December 2013.


On February 13, 2014, GMWC filed a Second Response to Procedural Order, stating that ADWR had approved the conversion of Well No. 6, but with an authorized capacity of 30 acre feet per year, which GMWC stated is equivalent to a pumping capacity of 18.6 GPM. GMWC included a

1 copy of a document GMWC characterized as a revised engineering report demonstrating that the
2 reduced 18.6 GPM capacity would still meet the Commission's requirement for additional water
3 production and fire flow.

4 In its Staff Report of September 5, 2013, Staff concluded that GMWC would have adequate
5 production and storage capacity when Well No.6 and the new 50,000 gallon storage tank are added to
6 the Company's water system. In that report, Staff stated that its analysis was based on (1) water use
7 data reported in the Company's 2012 annual report filed with the Commission; (2) well production
8 data for the Company's existing wells and 70 GPM of new source (Well No. 6); (3) storage capacity
9 data for the Company's existing storage tanks and 50,000 gallons of new storage; and (4) the District
10 fire flow requirement of 1,000 GPM for one hour.

11 Staff has reviewed the February 13, 2014 filing by the Company. Staff's new analysis was
12 based on data provided by the Company in its filing of August 16, 2013, as well as (1) water use data
13 reported in the Company's 2012 annual report filed with the Commission; (2) well production data
14 for the Company's existing wells and 18.6 GPM of Well No. 6; (3) storage capacity data for the
15 Company's existing storage tanks and 50,000 gallons of new storage; and (4) the District fire flow
16 requirement of 1,000 GPM for one hour. Staff concludes that at capacity of 18.6 GPM for Well No. 6,
17 the Company can still meet the Commission's requirement for additional water production and fire
18 flow.

19 RESPECTFULLY SUBMITTED this 19th day of February, 2014.
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22 
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1 Original and thirteen (13) copies
2 of the foregoing filed this
3 19th day of February, 2014 with:

4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington Street
7 Phoenix, AZ 85006

8 Copy of the foregoing mailed and/or emailed
9 this 19th day of February, 2014 to:

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